

PROCUREMENT AND CONTRACT MANAGEMENT

Child Welfare Information Technology Systems Managers and Staff
Webinar Series

Writing and Evaluating a Request for Proposal (RFP)

January 30, 2014
2:00pm – 3:30 p.m. EDT

Joyce Rose, ICF
Dave Jennings, SLI Global Solutions

Presented by ICF International under contract with the U.S. Department of Health and Human Services
Administration for Children and Families, Children's Bureau

Child Welfare Information Technology Systems Managers and Staff Webinar Series

- Eleven webinars divided into two theme series between November, 2013 and September, 2014
- Target audience
 - State/Tribal child welfare IT systems managers and staff
 - State/Tribal program and policy staff
 - New and experienced
- Recorded webinars
 - <http://www.acf.hhs.gov/programs/cb/research-data-technology/state-tribal-info-systems/training>

Webinar Series: Procurement and Contract Management

- Webinar 1: SACWIS Assessment Review Report (SARR) Action Plan Development and Tracking (November)
- Webinar 2: Requirements for Requirements (December)
- Webinar 3: Writing and Evaluating an RFP (January)
- Webinar 4: Negotiating and Managing a Contract (February/March)
- Webinar 5: Managing Small Projects (February/March)
- Webinar 6: Managing Scope Creep and Change Orders (April)
- Webinar 7: Saying Goodbye to Your Vendor (May)

Participating in Today's Webinar

- Questions and comments by telephone
- Questions via chat
- If you have additional questions, please contact Joyce Rose after the webinar

Joyce@kassets.com

Attendee Poll

Who is attending today's webinar?

- State Child Welfare Information System (CWIS) Project Manager
- State Child Welfare Information System (CWIS) Program, Policy or Technical staff
- Tribal Child Welfare Information System (CWIS) Project Manager
- Tribal Child Welfare Information System (CWIS) Program, Policy or Technical Staff
- ACF/Children's Bureau Personnel

Today's Agenda

- Format
- Introductions
- Participant presentation
- Two attendee Q & A sessions
- Wrap up

Introduction of Participants

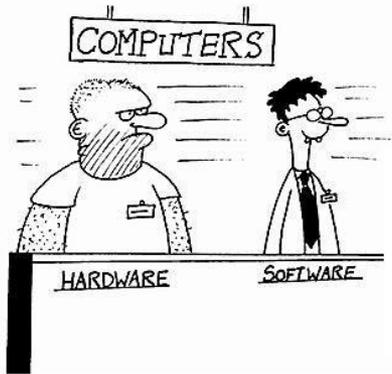
- Dave Jennings, SLI Global Solutions
- Joyce Rose, ICF

Webinar Objectives

Webinar attendees should be able to:

- Recognize the value of each section of an RFP
- Align RFP requirements with procurement type
- Improve future RFP's
 - More and better responses

Procurement Types



Commodities



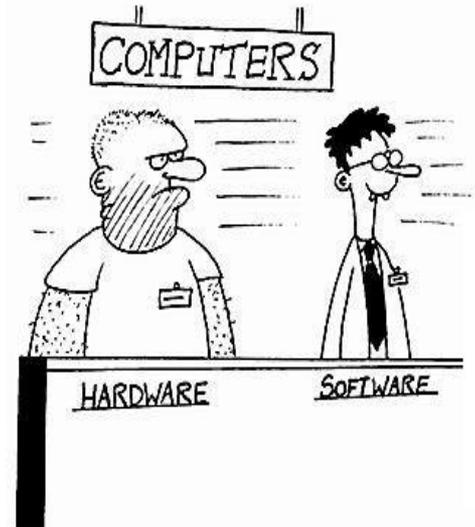
Services



Solutions

Commodity Procurement Characteristics

- Requires Precise Item Description
 - What it is
 - Specifications
 - How many
 - When/where do you need it
 - Why, not so much
- Key RFP Sections
 - Item Specifications, aka Deliverable
 - Payment Terms
- Key Evaluation Criteria
 - Price



Lowest priced, compliant bidder wins

Professional Services Procurement Characteristics

- Requires Detailed Description of:
 - What services/deliverables are required
 - Who can perform services(s)
 - How many people are needed
 - When/where are they needed
- Key RFP Sections
 - Scope of work/services
 - Corporate/staff qualifications/references
- Key Evaluation Criteria
 - Staffing
 - Rates



Best Value = Highest qualified staff at competitive rates

Solution Procurement Characteristics

- Requires Detailed Description of:
 - Problem to be Solved
 - Desired Outcomes
 - Performance Standards
 - Deadlines
- Key RFP Sections:
 - Statement of Purpose
 - Background Information
 - Scope of Work
 - Outcome and Performance Standards
 - Roles/Responsibilities – Agency/Vendor
 - Deliverables/Acceptance Criteria
 - Term of Contract



Solution Procurement Characteristics, cont.

- Payments, Incentives and Penalties
- Contractual Terms and Conditions
- Requirements for Proposal Preparation
- Evaluation Criteria
- Key Evaluation Criteria:
 - Technical Approach
 - Past Performance
 - Key Staff Qualifications
 - Fixed Price

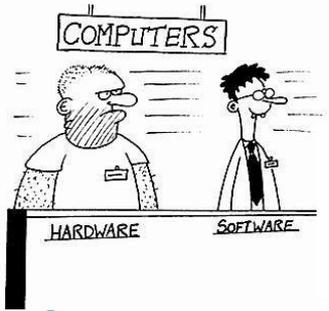


Best Value = Highest scoring technical approach, past performance, least exceptions to T&Cs at competitive fixed price

Procurement Risk/Complexity

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Commodities



Services



Solutions



Risk

A Vendor's Point of View



Risk is a Four Letter Word

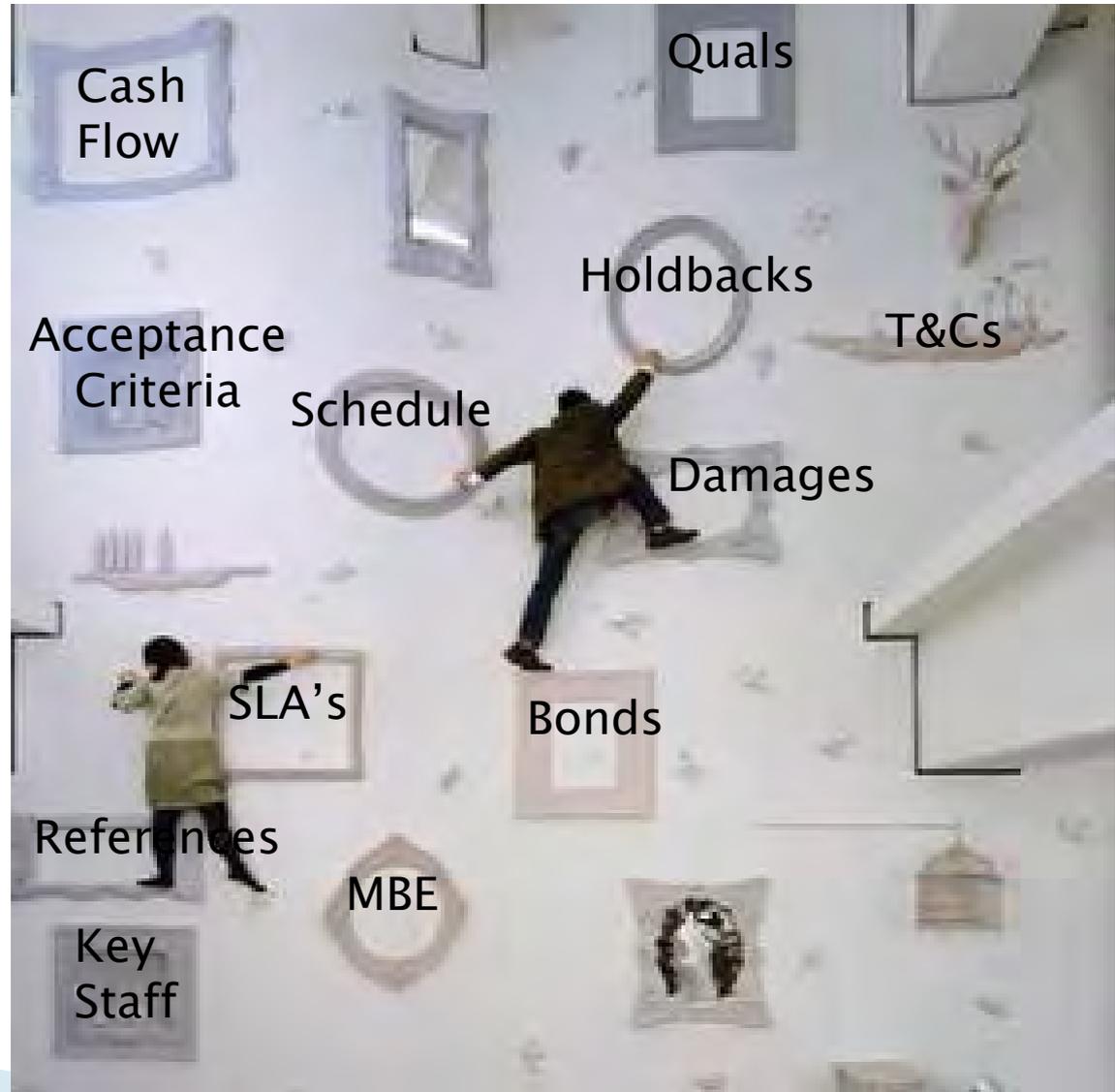
- Nothing strikes more fear in the hearts of corporate executives than:
 - *“Fixed-Price System Development”*
- These projects are viewed as the riskiest projects in corporate America
- There is only one cure for risk, “higher revenue”

There is a complex calculation between fear and greed that drives bid decisions and costing. Reducing perceived risks in an RFP increases competition and decreases costs

A Wall of Worry

The vendor's Capture Team has to climb an internal "wall of worry" to get go-bid approval

A well written RFP helps ease the ascent



Cause



Agency Action

- Protections
 - Holdbacks
 - Bonds
 - Penalties
 - Warranties
- Transfer Risk to Vendor
 - Payments tied to external approvals
 - Penalties tied to non-system milestones or performance

Effect



Vendor Reaction

- Bake Loaded Cost of Money into Pricing
- Increase Management Reserve
 - If risk is mitigated/eliminated, MR = profit

Attendee Discussion



Structure of an RFP: Key Sections

- Statement of Purpose
- Background Information
- Scope of Work
- Corporate Qualifications
- Key Personnel Qualifications
- Outcome and Performance Standards
- Deliverables
- Term of Contract
- Payments, Incentives and Penalties
- Contractual Terms and Conditions
- Requirements for Proposal Preparation
- Evaluation and Award Process
- Process Schedule
- Points of contact for future correspondence

Structure of an RFP: Key Sections, cont.

- Statement of Purpose
 - Describe the extent of products and services your agency is looking for, as well as, the overall objectives of the procurement
- What's driving the procurement
 - New legislation
 - New business model
 - Technology advancements
 - Staffing cuts
- What will it accomplish
 - Better/Faster/Cheaper



Structure of an RFP: Key Sections, cont.

- Background Information
 - Present a brief overview of the agency and its operations, using statistics, user demographics, and psychographics
 - State the agency strengths and weaknesses honestly
- Who owns this
 - Org Chart
 - Who's in charge
- Has this been tried before
- Do they have funding
- Is agency team in-place
- Are other vendors involved



Structure of an RFP; Key Sections, cont.

- Scope of Work
 - Enumerate the specific duties to be performed by the vendor and the expected outcomes
- Is the agency defining a solution or a problem
- Does the agency list their “statement of work”
- Is the schedule realistic
- Are industry standards followed



Structure of an RFP: Key Sections, cont.

- Corporate Qualifications
 - The mandatory and desired qualifications of the firms who will be considered for award
 - Are they too loose
 - Are they too restrictive
 - Do sub-contractor qualifications count
 - Conflict of interest



Structure of an RFP: Key Sections, cont.

- Key Personnel Qualifications
 - Mandatory and desired qualifications of vendor's key staff assigned to this project.
 - Full-time, part-time commitment to project,
 - On-site/off-site commitment
 - Process for replacing key staff
- Are qualifications reasonable
 - Does this person exist
- How many key staff
 - Is everyone key
- Can an out-of-state vendor win
- Can credentials be substituted by experience
- Can subs be key



Structure of an RFP: Key Sections, cont.

- Outcome and Performance Standards
 - Specify the outcome targets and minimal performance standards expected from the vendor
 - Determine and include the methods for monitoring performance
 - Emphasize the process for implementing corrective actions
- Are the outcomes realistic
 - Are they related to the system
- Are the performance measures realistic
 - Are they related to the system
- Who is measuring what?



Structure of an RFP: Key Sections, cont.

- Deliverables
 - Provide a list of all products, reports, artifacts and plans that must be delivered by the vendor
 - Develop and include a proposed delivery schedule
- What is the deliverable approval process
 - Who approves
 - How many bites of the apple
- How long does it take
- Are payments tied to deliverables
- Are deliverables tied to milestones



Structure of an RFP: Key Sections, cont.

- Term of Contract
 - Specify length, start date and end date of the contract
 - Identify any options for renewal
- If the RFP release date slides, do the start/end date slide, too?
- Maximum number of years



Structure of an RFP: Key Sections, cont.

- Payments, Incentives, and Penalties
 - List all terms of payment for adequate performance
 - Highlight the basis for incentives for superior performance
 - Communicate the penalties for inadequate performance and lack of compliance



Multiple layers of protection is like buying multiple insurance policies for your car

Structure of an RFP: Key Sections, cont.

- Payments, Incentives, and Penalties, cont.
 - Will the cash flow work
 - Back-loaded
 - Are we loaning the agency \$
 - Is there a holdback
 - How is it released
 - Is there a warranty
 - Is there a performance bond
 - Is there a cap on penalties



Structure of an RFP: Key Sections, cont.

- Payments, Incentives, and Penalties, cont.
- Are there service level agreements (SLA's)
 - Are they industry standards
 - Are they under vendor's control
 - Is there a stabilization period
- If one event causes multiple failures does the agency limit the liquidated damages



Structure of an RFP: Key Sections, cont.

- Contractual Terms and Conditions (T&Cs)
 - Attach standard agency procurement contracting forms, certifications, and assurances
 - Highlight any agency procurement requirements specific to this contract
- Are T&C's relevant to the procurement type
- Are exceptions allowed
- Is there a limitation on liability



Structure of an RFP: Key Sections, cont.

- Requirements for Proposal Preparation
 - Be consistent in structuring the terms of content, information, and document types
 - Request a particular structure for the proposal and provide an exhaustive list of required documents
- Does the proposal format align with evaluation criteria
- Page limits
- Spreadsheets
- Page numbering by section
- Electronic submissions



Structure of an RFP: Key Sections, cont.

- Process Schedule
 - Clearly and concisely present the timeline for the steps leading to the final decision
 - Include the dates for submitting the letter of intent, sending questions, attending a pre-proposal vendor conference and, submitting the proposal
- Is there enough time between agency response and due date
- Is the turn-around time sufficient
- Bidders conference
 - Mandatory
 - Meaningful



Structure of an RFP: Key Sections, cont.

- Evaluation and Award Process
- Are there weights for each evaluation criteria
- Does the evaluation criteria align with proposal format
- Is there a “Best and Final Offer” (BAFO)
- Are there orals
- Is the evaluation subjective or objective

Your evaluation criteria is your value statement.
Make sure that it reflects what you value in a vendor and/or a solution

Structure of an RFP: Key Sections, cont.

- Points of Contact for Future Correspondence
 - Include a complete list people to contact for information on the RFP or for any other questions
 - Incorporate name, title, responsibilities, and the preferred method to contact them
- Have we ever met this client
 - Vendor day
 - Conferences
 - Demonstrations
- Is there a program contact as well as a procurement contact

If there has been no contact between a vendor and an agency there will be no bid on that agencies fixed-price system development procurement

Attendee Discussion



Today's Conclusion

- What was accomplished today?
- What's next?
- Reminders:
 - Follow-up
 - Joyce@kassets.com
 - Recorded versions of each of the six webinars are being made available at:
- <http://www.acf.hhs.gov/programs/cb/research-data-technology/state-tribal-info-systems/training>